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H.B. No. 1596

A BILL TO BE ENTITLED

AN ACT

relating to the Hidalgo County Healthcare District; decreasing the possible maximum rate of a tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Chapter 1122, Special District Local Laws Code, is amended to read as follows:

CHAPTER 1122. HIDALGO COUNTY HEALTHCARE [~~HOSPITAL~~] DISTRICT

SECTION 2. Section 1122.001(3), Special District Local Laws Code, is amended to read as follows:

(3) "District" means the Hidalgo County Healthcare [~~Hospital~~] District.

SECTION 3. Section 1122.002, Special District Local Laws Code, is amended to read as follows:

Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo County Healthcare [~~Hospital~~] District may be created and, if created, operates and is financed as a hospital district as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

SECTION 4. Sections 1122.021(b), (f), and (g), Special District Local Laws Code, are amended to read as follows:

(b) The Hidalgo County Commissioners Court shall order an election for the registered voters of Hidalgo County on the question of creation of the Hidalgo County Healthcare [~~Hospital~~] District if the commissioners court receives a petition requesting an election that is signed by at least 50 registered voters who are

1 residents of Hidalgo County.

2 (f) The ballot for an election under this section must be
3 printed to permit voting for or against the proposition: "The
4 creation of the Hidalgo County Healthcare [~~Hospital~~] District,
5 providing for the imposition of an ad valorem tax [~~at a rate not to~~
6 ~~exceed 75 cents on each \$100 valuation~~] on all taxable property in
7 the district. The initial ad valorem tax shall be imposed at the
8 rate of _____ (insert amount) cents on the \$100 valuation of all
9 taxable property in the district. District funds shall be used for
10 district purposes, including improving health care services for
11 residents of Hidalgo County, supporting the School of Medicine at
12 The University of Texas Rio Grande Valley, training physicians,
13 nurses, and other health care professionals, obtaining federal or
14 state funds for health care services, and providing community
15 health clinics, primary care services, behavioral and mental health
16 care services, and prevention and wellness programs."

17 (g) The Hidalgo County Commissioners Court shall find that
18 the Hidalgo County Healthcare [~~Hospital~~] District is created if a
19 majority of the voters voting in the election held under this
20 section favor the creation of the district.

21 SECTION 5. Section [1122.051](#), Special District Local Laws
22 Code, is amended to read as follows:

23 Sec. 1122.051. DIRECTORS; TERM. (a) If the creation of the
24 district is approved at the election held under Section [1122.021](#),
25 the district shall be governed by a [~~nine-member~~] board of 10
26 directors, appointed as follows:

27 (1) the county judge of Hidalgo County shall appoint

1 one director;

2 (2) each county commissioner serving on the Hidalgo
3 County Commissioners Court shall appoint one director [~~four~~
4 ~~directors~~];

5 (3) [(2)] the governing body of the most populous
6 municipality [~~with the largest population~~] in Hidalgo County shall
7 appoint two directors; and

8 (4) [(3)] the governing bodies of the second, third,
9 and fourth most populous municipalities [~~body of the municipality~~
10 ~~with the second largest population~~] in Hidalgo County shall each
11 appoint one director [~~+~~

12 [~~(4) the governing body of a municipality with the~~
13 ~~third largest population in Hidalgo County shall appoint one~~
14 ~~director; and~~

15 [~~(5) the governing body of a municipality with the~~
16 ~~fourth largest population in Hidalgo County shall appoint one~~
17 ~~director~~].

18 (b) Directors serve staggered three-year [~~four-year~~] terms,
19 with three or four [~~as near as possible to one-fourth of the~~]
20 directors' terms expiring each year. The [~~terms of the~~] initial
21 directors appointed under this section shall draw lots as follows
22 to determine [~~are as follows~~]:

23 (1) for the directors appointed by the governing
24 bodies of the municipalities in Hidalgo County described by
25 Subsection (a), [~~shall draw lots to determine~~] which two directors
26 serve a one-year term, which two directors serve [~~director serves~~]
27 a two-year term, and which director serves a three-year term [~~, and~~

1 ~~which director serves a four-year term]; and~~

2 (2) for the directors appointed by the Hidalgo County
3 Commissioners Court, including the director appointed by the county
4 judge of Hidalgo County, [~~shall draw lots to determine~~] which two
5 directors serve [~~director serves~~] a one-year term, which director
6 serves a two-year term, and which two directors serve [~~director~~
7 ~~serves~~] a three-year term[~~, and which director serves a four-year~~
8 ~~term~~].

9 (c) On expiration of the initial directors' terms,
10 successor directors shall be appointed for a three-year term by the
11 person or governing body that appointed the initial director.

12 (d) A director may not serve more than three [~~two~~]
13 consecutive three-year [~~four-year~~] terms.

14 SECTION 6. Section [1122.052](#), Special District Local Laws
15 Code, is amended to read as follows:

16 Sec. 1122.052. QUALIFICATIONS. The Hidalgo County
17 Commissioners Court shall by order provide for the qualifications
18 of appointees to the board. The qualifications must provide that a
19 person is not eligible for appointment to the board if the person
20 is:

21 (1) an employee of Hidalgo County;

22 (2) an employee of a municipality located in the
23 district;

24 (3) a district employee; or

25 (4) [~~(3)~~] related within the third degree of
26 consanguinity or affinity, as determined under Subchapter B,
27 Chapter 573, Government Code, to a member of the Commissioners

1 Court of Hidalgo County, to a member of the governing body of a
2 municipality located in the district, [~~commissioners court~~] or to a
3 person described by Subdivision (1), [~~or~~] (2), or (3).

4 SECTION 7. Sections 1122.056 and 1122.057, Special District
5 Local Laws Code, are amended to read as follows:

6 Sec. 1122.056. BOARD VACANCY. A [~~If a~~] vacancy [~~occurs~~] in
7 the office of director [~~, the remaining directors~~] shall be filled
8 [~~appoint a director~~] for the remainder of the unexpired term by
9 appointment by the person or governing body that appointed the
10 vacating director.

11 Sec. 1122.057. VOTING REQUIREMENT. A concurrence of a
12 majority of the directors voting is necessary in matters relating
13 to district business. In the event of a tie vote among the
14 directors, the county judge of Hidalgo County may cast the deciding
15 vote.

16 SECTION 8. Sections 1122.101, 1122.102, 1122.103, and
17 1122.106, Special District Local Laws Code, are amended to read as
18 follows:

19 Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has
20 full responsibility for operating hospital facilities and
21 providing medical and hospital care for the district's indigent
22 [~~needy~~] residents as required under this chapter, another
23 applicable statute, and the constitution of this state.

24 Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.
25 The board shall manage, control, and administer the district
26 [~~hospital system~~] and the money and resources of the district.

27 Sec. 1122.103. RULES. The board may adopt rules governing:

1 (1) the operation of the district and any district
2 hospital [~~and hospital system~~]; and

3 (2) the duties, functions, and responsibilities of
4 district staff and employees.

5 Sec. 1122.106. DISTRICT PROPERTY, FACILITIES, AND
6 EQUIPMENT. (a) The board shall determine:

7 (1) the type, number, and location of buildings
8 required to maintain an adequate health care district [~~hospital~~
9 ~~system~~]; and

10 (2) the type of equipment necessary to provide medical
11 [~~for hospital~~] care in the district.

12 (b) The board may:

13 (1) acquire property, facilities, and equipment for
14 use by the district [~~for use in the hospital system~~];

15 (2) mortgage or pledge the property, facilities, or
16 equipment as security for payment of the purchase price;

17 (3) sell or otherwise dispose of property, facilities,
18 or equipment for the district; or

19 (4) lease hospital facilities for the district.

20 SECTION 9. Section [1122.151](#)(a), Special District Local Laws
21 Code, is amended to read as follows:

22 (a) The board and the district administrator shall jointly
23 prepare a proposed annual budget for the district.

24 SECTION 10. Sections [1122.152](#)(d) and (e), Special District
25 Local Laws Code, are amended to read as follows:

26 (d) At the conclusion of the hearing, the board shall adopt
27 a budget by acting on the proposed budget [~~proposed by the district~~

1 ~~administrator~~]. The board may make a change in the proposed budget
2 that the board determines to be in the interests of the taxpayers.

3 (e) The budget is effective only after:
4 (1) adoption by the board; and
5 (2) approval by the Hidalgo County Commissioners
6 Court.

7 SECTION 11. Section 1122.153, Special District Local Laws
8 Code, is amended to read as follows:

9 Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is
10 adopted, the budget may be amended if the proposed amendment is:

11 (1) adopted by the board; and
12 (2) approved by the Hidalgo County Commissioners Court
13 ~~[on the board's approval]~~.

14 SECTION 12. Section 1122.201, Special District Local Laws
15 Code, is amended to read as follows:

16 Sec. 1122.201. GENERAL OBLIGATION BONDS. If authorized by
17 an election, the board may issue and sell general obligation bonds
18 in the name and on the faith and credit of the district to:

19 (1) purchase, construct, acquire, repair, or renovate
20 buildings or improvements;

21 (2) equip buildings or improvements for district
22 ~~[hospital]~~ purposes; or

23 (3) acquire and operate a mobile emergency medical
24 service.

25 SECTION 13. Sections 1122.204(a) and (b), Special District
26 Local Laws Code, are amended to read as follows:

27 (a) The board may issue revenue bonds to:

1 (1) acquire, purchase, construct, repair, renovate,
2 or equip buildings or improvements for district [~~hospital~~]
3 purposes;

4 (2) acquire sites to be used for district [~~hospital~~]
5 purposes; or

6 (3) acquire and operate a mobile emergency medical
7 service to assist the district in carrying out its [~~hospital~~]
8 purposes.

9 (b) The bonds must be payable from and secured by a pledge of
10 all or part of the revenues derived from the operation of the
11 district [~~district's hospital system~~].

12 SECTION 14. Section 1122.251(a), Special District Local
13 Laws Code, is amended to read as follows:

14 (a) The board shall impose a tax on all property in the
15 district subject to [~~hospital district~~] taxation by the district.

16 SECTION 15. The heading to Section 1122.252, Special
17 District Local Laws Code, is amended to read as follows:

18 Sec. 1122.252. LIMITATION ON TAX RATE.

19 SECTION 16. Section 1122.252(a), Special District Local
20 Laws Code, is amended to read as follows:

21 (a) Unless a higher rate is approved at an election held as
22 provided by Section 1122.2521, the [~~The~~] tax rate on all taxable
23 property in the district for all purposes may not exceed 25 [~~75~~]
24 cents on each \$100 valuation of the property according to the most
25 recent certified tax appraisal roll of the district.

26 SECTION 17. Subchapter F, Chapter 1122, Special District
27 Local Laws Code, is amended by adding Sections 1122.2521,

1 1122.2522, 1122.2523, 1122.2524, and 1122.2525 to read as follows:

2 Sec. 1122.2521. ELECTION REQUIRED TO INCREASE TAX RATE.

3 (a) The board may order an election to increase the district's
4 maximum ad valorem tax rate to a rate greater than the maximum rate
5 provided by Section 1122.252.

6 (b) The ballot for an election held under this section must
7 be printed to permit voting for or against the proposition: "The
8 imposition of taxes by the Hidalgo County Healthcare District for
9 district purposes at a rate not to exceed _____ (insert amount) cents
10 on the \$100 valuation of all property in the district."

11 (c) The board may impose taxes at the rate authorized by the
12 proposition if a majority of voters voting at an election held under
13 this section favor the proposition.

14 (d) This section does not authorize the board to impose
15 taxes at a rate that exceeds the maximum ad valorem tax rate
16 authorized by Section 9, Article IX, Texas Constitution.

17 (e) Section 41.001(a), Election Code, does not apply to an
18 election ordered under this section.

19 Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE.

20 (a) If in any year the board adopts a tax rate that exceeds the
21 rollback tax rate calculated as provided by Chapter 26, Tax Code,
22 the qualified voters of the district by petition may require that an
23 election be held to determine whether or not to reduce the tax rate
24 adopted by the board for that year to the rollback tax rate.

25 (b) To the extent a conflict exists between this section and
26 a provision of the Tax Code, the provision of the Tax Code prevails.

27 Sec. 1122.2523. RESIDENCE HOMESTEAD TAX PROVISIONS

1 APPLICABLE. (a) The board shall ensure that all district residents
2 receive all ad valorem tax exemptions and limitations that the
3 residents are entitled to receive under the constitution and the
4 Tax Code, including the exemption of the total appraised value of
5 the residence homestead of a fully disabled veteran or the disabled
6 veteran's surviving spouse required by Section 11.131, Tax Code.

7 (b) The board shall adopt an exemption from ad valorem
8 taxation by the district of a portion of the appraised value of a
9 district resident's residence homestead as provided by Section
10 11.13(d), Tax Code. Unless the board specifies a larger amount as
11 provided by Section 11.13(e), Tax Code, the amount of the exemption
12 required to be adopted by the board under this subsection is \$3,000
13 of the appraised value of a district resident's residence
14 homestead. Section 11.13(f), Tax Code, applies to an exemption
15 adopted by the board under this subsection.

16 Sec. 1122.2524. PROHIBITION ON PARTICIPATION IN TAX
17 INCREMENT FUND. The district may not enter into an agreement to
18 participate in a reinvestment zone designated by a municipality or
19 a county under Chapter 311, Tax Code.

20 Sec. 1122.2525. REDUCTION IN AD VALOREM TAX RATE BY COUNTY.
21 The Hidalgo County Commissioners Court, in determining the county
22 ad valorem tax rate for the first year in which the district imposes
23 ad valorem taxes on property in the district, shall:

24 (1) take into account the decrease in the amount the
25 county will spend for health care purposes in that year because the
26 district is providing health care services previously provided or
27 paid for by the county; and

1 (2) reduce the county's ad valorem tax rate in
2 accordance with the decreased amount of required spending described
3 by Subdivision (1).

4 SECTION 18. Section 1122.303, Special District Local Laws
5 Code, is amended to read as follows:

6 Sec. 1122.303. BALLOT. The ballot for an election under
7 this subchapter must be printed to permit voting for or against the
8 proposition: "The dissolution of the Hidalgo County Healthcare
9 ~~[Hospital]~~ District."

10 SECTION 19. On the creation of the Hidalgo County
11 Healthcare District, or as soon as practicable after the district
12 is created, the Commissioners Court of Hidalgo County shall
13 transfer to the district all operating funds, and any funds held in
14 reserve for operating expenses, that have been budgeted by the
15 county to pay the costs associated with administering a county
16 program to provide to residents of the district indigent health
17 care assistance under Chapter 61, Health and Safety Code, during
18 the fiscal year in which the district is created.

19 SECTION 20. The provisions of this Act or the applications
20 of those provisions are severable as provided by Section
21 311.032(c), Government Code.

22 SECTION 21. This Act takes effect immediately if it
23 receives a vote of two-thirds of all the members elected to each
24 house, as provided by Section 39, Article III, Texas Constitution.
25 If this Act does not receive the vote necessary for immediate
26 effect, this Act takes effect September 1, 2015.